



Product Sales Tips

Personal Long-Term Care

~ For Aflac field force use only—not intended for public distribution ~

The need ...

- The aging of America has helped to spotlight the need for long-term care services and the staggering costs associated with chronic illness. Most everyone knows someone who has required care in a nursing home or an assisted-living facility.
- Advances in medical technology and treatment now allow people to live with illnesses that were once life-ending; however, long-term treatment is often needed to cope with chronic disease.
- According to *National Underwriter*:
 - The average annual cost for a private room in a nursing home is \$70,912, or \$194 a day.
 - The annual cost of an assisted-living facility in a one-bedroom unit is \$32,294.
 - The combined average hourly rate for in-home long-term care provided by a home health aide is \$25.32 per hour.

Source: “Annual Nursing Home Costs Passed \$70,000, Study Finds; Assisted-Living and In-Home LTC Costs

The market ...

- Seek individuals who are age 50 and up. They are typically in their peak earning years, they are empty nesters with more discretionary income, and they are probably beginning to experience the need for long-term care services due to aging parents.
- Long-term care insurance helps individuals protect their assets from expensive health care costs. Target higher-earning, professional occupations such as engineers, architects, and attorneys. Think “A” industries. School districts are also a good place to find long-term, tenured employees with stable salaries. Schools often have excellent retirement benefits, so employees nearing retirement will appreciate the asset-protection feature.
- Business owners also need asset protection. If an owner doesn’t seem interested in our core products, use long-term care for him/her as a reason to open the payroll account, and then sell other products to the employees.
- The long-term care sale is more time-consuming than other products and may not appeal to all employees in a payroll account. Consider offering an after-hours seminar at the employer’s location for employees who are in the target age range and encourage spouses to attend. Present the need and coverage options, give them a day or two to review the information and discuss it at home, then return to the worksite to meet with individual employees to answer additional questions and/or take applications.
- Long-term care is a good product for re-enrollments. Once policyholders become familiar with Aflac products and their value, as well as our excellent service, it will be easier to demonstrate the value of our long-term care coverage as they age.

This flyer is one of a series of informational flyers created by Aflac Product Development and made available to the Aflac field force to assist in marketing and selling our insurance products. For more information, e-mail pd@aflac.com.

Overcoming Objections ...

“This policy is more expensive than (another company).”

- Long-term care insurance is difficult to price because most people who buy policies will not use the benefits for many years. As a result, it is highly susceptible to rate increases by carriers who initially set rates too low to cover future policy expenses.
- Emphasize Aflac’s strong history of rate stability. We have never raised the rates on any long-term care policy. This is clearly stated on the suitability form (Personal Worksheet A-27092) that must be reviewed with each applicant.
- An employer who raises this objection may be referring to group coverage. While less expensive at the point of sale, group policies run a high risk of rate increases because rates are reviewed annually and are adjusted based on the group’s claims experience. Also, group policies are usually not portable, and long-term care is critical coverage that employees should take with them into retirement.

“I’m in good health; I’m too young; etc. I don’t need this yet.”

- Premiums are based on age at the time of purchase, so buying early keeps the cost down. Once a policy is issued, we will never increase premiums based on an individual policyholder’s age or health status. It is important to apply while in good health, when the prospect can still pass underwriting. Waiting until health deteriorates reduces the likelihood of qualifying for coverage.

“I don’t need this. Medicare will pay for my long-term care needs.” Or “I’ll just go on Medicaid.”

- Medicare pays only for skilled nursing home care or home health care under specific conditions. Review the *Guide to Health Insurance for People with Medicare* (viewable and printable at www.medicare.gov) for current requirements and copayments.
- To be eligible for Medicaid, a person must first spend the majority of his/her own assets. Also, there is a five-year look-back period on the transfer of assets for Medicaid eligibility. For more information on Medicaid, see the *PLTC Field Sales Guide* (M1002B).

“I want to stay at home when I need long-term care. Four or five hundred home health care visits are not enough.”

- Most people do not receive home health care every single day, but only two or three days per week, so 400 or 500 visits can stretch for several years.
- Although most people want to remain at home, people with chronic illnesses may not be able to receive care at home forever. Over time, as health deteriorates, a higher level of care such as assisted living or nursing home confinement is often required.

“I can’t afford this coverage.”

- With average nursing home costs at almost \$200 a day in the United States, a person can’t afford not to have long-term care insurance.
- Show the value of the policy relative to the cost. A premium of \$1,000 a year is a small price to pay compared to over \$70,000 in annual nursing home costs.